

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 IO-13 ISO-00  
L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11 AGRE-00  
AID-05 CIAE-00 COME-00 INR-10 LAB-04 NSAE-00  
OIC-02 SIL-01 STR-07 TRSE-00 CEA-01 SS-15 CTME-00  
GSA-02 INT-05 /137 W

-----040962 241659Z /43

R 241626Z APR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC 8771

INFO AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUDAPEST

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY HELSINKI

AMEMBASSY JAKARTA

AMEMBASSY KINSHASA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY MADRID

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY PORT MORESBY

AMEMBASSY ROME

AMEMBASSY SANTIAGO

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AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY WARSAW

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USEEC USOECD

E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJECT: UNCTAD THIRD PREPARATORY MEETING ON COPPER,  
JAN 20 - FEB 3

REFERENCE: GENEVA 1803 AND 1904

1. SUMMARY: FIRST SESSION OF UNCTAD WORKING GROUP TO PREPARE CHARTER FOR A STANDING INTERGOVERNMENTAL COPPER BODY (SICB) WAS HELD IN GENEVA APRIL 17-21 (SEE REFTELS). AS ANTICIPATED, RELATIONSHIP OF NEW BODY TO UNCTAD WAS DOMINANT ISSUE. THAT PROBLEM, AND GENERALLY POOR PREPARATION BY MOST PRODUCERS (AND SOME CONSUMERS), PREVENTED WORKING GROUP FROM MAKING MUCH PROGRESS ON DRAFTING CHARTER. MEETING ENDED WITH PARTICIPANTS AGREEING TO STUDY TWO NEW DOCUMENTS TABLED DURING THE WEEK, ONE BY PRODUCERS AND ONE BY THE US, AS BASIS FOR DISCUSSION AT SECOND SESSION OF WORKING GROUP SCHEDULED FOR MAY 22-26. END SUMMARY.

2. MEETING DEVELOPMENTS: SESSION BEGAN SLOWLY WITH UNCERTAINTY AS TO BEST METHOD OF PREPARING DRAFT CHARTER IN LIGHT OF UNRESOLVED ISSUE OF LINKAGE TO UNCTAD. PERU, VENEZUELA AND ARGENTINA CALLED FOR BROAD AGREEMENT IN PRINCIPLE TO ESTABLISH THE BODY WITHIN UNCTAD PRIOR TO BEGINNING DISCUSSION OF DETAILS OF CHARTER AND, AT THE RELIMITED OFFICIAL USE

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QUEST OF SWEDEN, AGREED TO PREPARE A PAPER DETAILING THEIR VIEWS ON SUCH AN ARRANGEMENT. THIS PLOY ULTIMATELY LED TO PREPARATION AND PRESENTATION OF A JOINT "PRODUCER POSITION PAPER" ON "PRINCIPLES TO GUIDE WORKING GROUP." CONSUMERS AVOIDED ANY NEGOTIATION ON TEXT, WHICH REMAINS ON TABLE AS PRODUCER-ONLY PAPER FOR FURTHER STUDY AT NEXT WORKING GROUP SESSION.

3. PRODUCER PAPER: PRODUCER PAPER, SUBMITTED BY INDONESIA, PROPOSES THAT "DURING AN INITIAL PERIOD" (UNSPECIFIED) STAFF AND FACILITIES WOULD BE MADE AVAILABLE WITHOUT CHARGE BY UNCTAD, WITH BUDGET AND BASIS FOR MEMBER CONTRIBUTIONS SUBSEQUENTLY TO BE ADOPTED BY THE BODY. THE BODY WOULD REPORT PERIODICALLY TO UNCTAD TRADE AND DEVELOPMENT BOARD (AND POSSIBLY OTHER UNCTAD COMMITTEES) ON THE PROGRESS OF ITS WORK, AND UNCTAD AND CIPEC SECRETARIATS WOULD BE GRANTED "PERMANENT CONSULTATIVE STATUS." PRODUCER PAPER ALSO CONTAINS A PROVISION (ORIGINATED BY NORWAY) THAT IF THE IPC TERMINATES BEFORE AGREEMENT IS REACHED ON AN INTERNATIONAL COPPER ARRANGEMENT, THE MEMBERS WILL REAPPRAISE THE BODY AND ITS STATUS AT THAT TIME. ALTHOUGH PRESENTED AS A JOINT PRODUCER POSITION, PERU EMPHASIZED THAT MOST OF THE DOCU-

MENT WAS BARELY ACCEPTABLE AND IN ANY CASE VOICED FORMAL RESERVATIONS ON THE SECTION OUTLINING THE ORGANIZATIONAL STRUCTURE OF THE BODY (I.E., A GOVERNING BODY, EXECUTIVE COMMITTEE, SECRETARIAT, ETC.), AS UNNECESSARY SINCE IT FELT THE BODY SHOULD BE SET UP WITHIN THE MACHINERY OF UNCTAD. PERU WAS NOT SUPPORTED IN THIS RESERVATION BY ANY OTHER PRODUCERS. CANADA MADE A FRANK INTERVENTION OPPOSING PERU, URGING THAT THE BODY NOT BE "BURIED IN THE DEPTHS OF ANOTHER ORGANIZATION" AND CALLING FOR AN ATTITUDE OF "PERMANENCE" TOWARD THE BODY SINCE ALL AGREE THAT IT COULD BE ABSORBED INTO ANY COMMODITY ARRANGEMENT THAT MIGHT MATERIALIZE.

4. US AND OTHER REACTIONS: US MADE CLEAR THAT IT COULD NOT

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ACCEPT BASIC CONCEPT UNDERLYING PRODUCER PROPOSAL, I.E. THAT SICB IN FACT START ITS LIFE AS AN UNCTAD COMMITTEE, ESPECIALLY SINCE THERE COULD BE NO ASSURANCE IT WOULD EVER EMERGE FROM THAT STATUS. JAPAN REJECTED CONCEPT EVEN MORE FIRMLY. BOTH, HOWEVER, SUGAR-COATED THEIR BASIC REJECTION BY POINTING TO VARIOUS AREAS OF AGREEMENT ON SUCH ASPECTS OF PRODUCER PAPER AS PRINCIPAL TASKS OF THE SICB AND PROVISION FOR ANNUAL INFORMATIONAL REPORT TO TDB. EC WAS DEEPLY SPLIT ON ISSUE AND ITS SPOKESMAN (DENMARK) LARGELY WAFFLED BUT JOINED US AND JAPAN IN POINTING TO NON-CONTROVERSIAL ASPECTS. UK, FRENCH AND FRG DELS WERE HIGHLY FRUSTRATED THROUGHOUT MEETING BY APPARENT AGREEMENT IN EC THAT INDIVIDUAL MEMBERS WOULD NOT INTERVENE.

5. US DRAFT CHARTER: US, WITH ENCOURAGEMENT FROM CANADA AND JAPAN AND EVEN INDONESIA, TABLED DRAFT SICB CHARTER AT END OF WEEK WHEN IT BECAME APPARENT NO OTHER DELEGATION WAS PREPARED TO DO SO AND DRAFTING WORK WAS NOT ADVANCING. THERE SEEMED A RELUCTANCE TO USE THE AUSTRALIAN PAPER SUBMITTED IN NOVEMBER AS A BASIS FOR DRAFTING, AS IT ANTEDATED AND HENCE DID NOT REFLECT THE AGREED CONCLUSIONS OF THE THIRD PREPARATORY MEETING. WHILE US DRAFT DREW SOME COMMENTS IN CONSUMER CAUCUS, (E.G. SWEDEN FELT QUALIFICATIONS FOR MEMBERSHIP IN SICB TOO STRINGENT) ALMOST NO DELEGATION VENTURED COMMENT IN PLENARY, PREFERRING TO REFLECT ON DRAFT IN CAPITALS. HOWEVER, MOST DELEGATIONS APPEARED TO BE LIMITED OFFICIAL USE

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PLEASED TO HAVE A DRAFT TEXT CONTAINING ALL ELEMENTS OF A CHARTER FROM WHICH TO WORK AT NEXT SESSION IN MAY. US DRAFT

INCORPORATES SOME POINTS IN PRODUCER PAPER, E.G. REFERENCE TO RES. 93(IV) AND REPORTING FROM TIME TO TIME TO TDB, BUT PROVIDES FOR INDEPENDENT SICB WITH OWN FUNDING AND STAFFING.

6. DELEGATION POSITIONS: EC WAS GENERALLY DIVIDED AND INEFFECTIVE SINCE MEMBERS NOT ALLOWED TO SPEAK INDIVIDUALLY BUT COULD NOT AGREE ON SUBSTANTIVE GROUP STATEMENTS. SOME MEMBERS ARE PREPARED TO SUPPORT ESTABLISHMENT OF NEW BODY WITHIN UNCTAD; GERMANY CONTINUES PRESSING WITHIN EC CAUCUS FOR AN INDEPENDENT BODY AND THE UK SEEMS TO BE WAFFLING ON THE ISSUE. EC STATEMENT EARLY IN PLENARY NOTED THAT BODY SHOULD BE "ATTACHED" TO UNCTAD BUT SHOULD HAVE "FREE HAND" IN ORGANIZING ITS WORK AND CALLED UPON THE "GOOD OFFICES" OF UNCTAD TO ARRANGE STAFFING AND FINANCING SO BODY CAN BEGIN ASAP. JAPAN STRONGLY SUPPORTS US POSITION. LATINS EXCEPT CHILE FAVOR ESTABLISHING BODY WITHIN UNCTAD. ZAIRE WAS ONLY AFRICAN COUNTRY TO ATTEND BUT SAID NOTHING. INVOLVEMENT OF SOCIALIST COUNTRIES LIMITED TO POLAND AND YUGOSLAVIA, WHO WERE ALSO SILENT. CANADA AND AUSTRALIA CONTINUE TO FAVOR INDEPENDENCE ALTHOUGH CANADA WAS MORE OUTSPOKEN. BOTH WERE ACTIVE IN PRODUCER CAMP AS WELL AS IN CONTACTS WITH CONSUMERS. THERE WAS SOME FEELING WITHIN PRODUCER CAMP THAT PERU HAD BECOME VIRTUALLY ISOLATED BY WEEK'S END AND NORWAY MAY HAVE BEEN PERSUADED NOT TO PUSH SUPPORT FOR PERU BY VIRTUE OF LANGUAGE REPORTED IN PARA 3 ABOVE. WHETHER ISOLATION OF PERU CONTINUES AT NEXT MEETING REMAINS TO BE SEEN. UNCTAD SECRETARIAT IS DIVIDED INTO TWO CAMPS, ONE OF WHICH IS STILL SEEKING WAYS TO DISRUPT MOMENTUM TOWARD INDEPENDENT BODY. VANDEN HEUVEL

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, MEETINGS, PLANNING MEETINGS  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**TAGS:** ETRD, UNCTAD  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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20 Mar 2014  
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